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DD / S R E G I S T R Y

FILE *Approp Budget*
28 APR 1969

MEMORANDUM FOR: Director of Planning, Programming, and Budgeting

THROUGH /s/JWC
for Deputy Director for Support 30 APR 1969 Note: Approved orally by
DD/S, 4/30/69

SUBJECT : Potential Funds Surplus in the FY 1969 Office of
Logistics Property Procurement Allotment

25X1A 1. The purposes of this memorandum are to present you with our analysis of the current status of available funds in the Office of Logistics Property Procurement Allotment and, by extending the results of the analysis, to alert you to the existence of a potential surplus of [REDACTED] that may be realized in this account.

2. Our analysis has included but has not been limited to a study of:

a. The pertinent financial reports through March 1969 reflecting the status of outstanding Property Requisitioning Authority.

b. The total balance of funds remaining as of 1 April 1969 in the Office of Logistics Property Procurement Allotment and the total of the local Property Procurement Allotments.

25X1A [REDACTED]

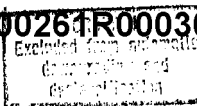
d. A thorough review of our own stock status plus anticipated stock needs.

25X1C [REDACTED]

25X1A 3. As of 1 April 1969 we estimate there is a total of [REDACTED]

25X1A [REDACTED] in total Agency property funds remaining, i.e., the

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5. It is not possible to rationalize with certitude the existence of this surplus. We do know, however, that a portion of it has been created by advance procurement undertaken by the Office of Logistics with yearend funds allotted to it in June 1968. By virtue of such advance procurement, it has not been necessary to replenish certain stocks at a normal rate. The lack of need, therefore, to replenish stocks in those particular commodities has contributed to a portion of the surplus.

25X1A 6. This Office will interpose no objections if the Director of Planning, Programming, and Budgeting wishes to withdraw [REDACTED] from the Office of Logistics Property Procurement Allotment. We further propose to take action to invest [REDACTED] to 25X1A acquire needed stocks of new ordnance items in order to continue to support [REDACTED] operations. Beyond these two positions, we also raise for consideration two additional points:

a. We suggest this Office be authorized to expend an additional \$500,000 for the Property Procurement Allotment for advance procurement of general materiel against FY 1970 needs.

b. We also suggest that no further action be taken on any remaining potential surplus until approximately 15 May 1969, by which time we will have the advantage of reviewing and analyzing the official financial reports for the month of April 1969.

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Signed: [REDACTED]

for George E. Meloan
Director of Logistics

DD/S Distribution:

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Mr. Caffey:

use of old inventory, largely
obsolete is probably the biggest
reason for the surplus.

OL could spend the 500,000
to surge procure without
O-P-P-B approval, but, given the present
surge climate, I agree that it should
be included.

Recommend your initials.

JHP

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The [redacted] on Comm is
for [redacted] PRA conversion
for contract action.